

**OFFSHORE POLLUTION LIABILITY AGREEMENT (“OPOL”)**  
(effective as of 21 June 2017)

**PREAMBLE**

The Parties to this Contract are Operators of or intend to be the Operators of Offshore Facilities used in connection with exploration for or production of oil and gas.

Each of the Parties has resolved to provide an orderly means for compensating and reimbursing any Person who sustains Pollution Damage and any Public Authority which incurs costs for taking Remedial Measures as a result of a Discharge of Oil from any Offshore Facility so used and located within the jurisdiction of a State denominated hereunder as a “Designated State”, provided that such Party is the Operator of the Offshore Facility and this Contract is applicable to that Offshore Facility.

Accordingly, the Parties who have executed this Contract as of the date hereof, together with those Persons who later become Parties hereto, in consideration of their mutual promises, have agreed, and do hereby agree as follows:

**CLAUSE I - DEFINITIONS**

Whenever the following words and phrases appear in the Preamble and the other Clauses hereof, they shall have the meaning indicated below:

- 1       **“Association”** means the entity formed in accordance with the provisions of Clause II below.
- 2       **“Claim”** means any claim for Pollution Damage or for the cost of Remedial Measures filed by a Claimant pursuant to the provisions of this Contract.
- 3       **“Claimant”** means any Person who has filed a Claim under this Contract.
- 4       **“Designated State”** means the United Kingdom of Great Britain and Northern Ireland, Denmark, the Federal Republic of Germany, France, Greenland, the Republic of Ireland, the Netherlands, Norway, the Isle of Man and the Faroe

Islands, and any other State recognised as such under international law or custom which the Parties by appropriate amendment hereto under Clause X may so denominate.

5 **“Discharge of Oil”** means any escape or discharge of Oil into the sea from one or more Offshore Facilities.

6 **“Incident”** means any occurrence or series of occurrences arising out of one event which results in a Discharge of Oil.

7 **“Licence”** means a licence, concession, permit or other authorization issued by the Government of a Designated State to install or operate an Offshore Facility.

8 **“Offshore Facility”** means:

A any well and any installation or pipeline or portion thereof of any kind, fixed or mobile, being used for the purpose of exploring for, producing, treating, storing or transporting Oil from the seabed or its subsoil;

B any well used for the purpose of exploring for or recovering gas or natural gas liquids from the seabed or its subsoil during the period that any such well is being drilled (including completion), re-completed or worked upon (except for normal work-over operations); or

C any installation of any kind, fixed or mobile, intended for the purpose of exploring for, producing, treating or storing Oil from the seabed or its subsoil where such installation has been temporarily removed from its operational site for whatever reason;

which is described in the Appendix to the Rules and located within the jurisdiction of the Designated State but excluding any Offshore Facility located in the Baltic Sea or Mediterranean Sea to the extent that it and, in the case of any well, any installation from which it is drilled, are both to seaward of the low-water line along the coast as marked on large scale charts officially recognised by the Government of such Designated State:

provided however that none of the following shall be considered an Offshore Facility:

- (i) any Permanently Abandoned well or any permanently abandoned installation or pipeline; or
  - (ii) any ship, barge or other craft not being used for the storage of Oil, commencing at the loading manifold thereof.
- 9     **“Oil”** means crude oil and condensate (being those products of natural gas processing which assume liquid form at normal temperature and pressure), whether or not such materials are mixed with or present in other substances.
- 10    **“Operator”** means a Person which by agreement with other Persons has been authorized to, and does, manage, conduct, and control the operation of an Offshore Facility, subject to the terms and conditions of said agreement, or which manages, conducts and controls the operation of an Offshore Facility in which only it has an interest (and for these purposes a Person shall not cease to be an Operator by virtue of it having sub-contracted and/or outsourced to a third party all or any part of the operation of such Offshore Facility).
- 11    **“Party”** means any party to this Contract.
- 12    **“Permanently Abandoned”** means, in relation to a well:
- (i) the removal of the wellhead and conductor with the intention that the well will never be used or re-entered again; and
  - (ii) the well having been removed from the examination, maintenance and testing scheme required to be put in place pursuant to part 4.1 of Part A of the Annex to Directive 92/91/EEC (the **“Directive”**) or, in respect of a well located within the jurisdiction of a Designated State which is not required to give effect to the Directive, such well having been removed from any equivalent or similar scheme in that Designated State.

- 13 **“Person”** means an individual or partnership or any public or private body, whether corporate or not, including a Designated State or other State.
- 14 **“Pollution Damage”** means direct loss or damage (other than loss of or damage to any Offshore Facility involved) by contamination which results from a Discharge of Oil.
- 15 **“Public Authority”** means the Government of any State recognised as such under international law or custom and any public body or authority (municipal, local or otherwise) within such State competent under the municipal law of such State to carry out Remedial Measures.
- 16 **“Remedial Measures”** means reasonable measures taken by any Party from any of whose Offshore Facilities a Discharge of Oil occurs, and of which such Party is the Operator, and by any Public Authority to prevent, mitigate or eliminate Pollution Damage following such Discharge of Oil or to remove or neutralize the Oil involved in such discharge, excluding however, well control measures and measures taken to protect, repair or replace any such Offshore Facility.
- 17 **“Rules”** means the Rules of the Association, as made, altered or added to from time to time in accordance with the Articles of Association of the Association.

## **CLAUSE II – GENERAL CONDITIONS**

- A** The initial signatories to this Contract have formed under and pursuant to the laws of England a company limited by guarantee and called “The Offshore Pollution Liability Association Limited” for the purpose of administering this Contract and performing such other functions to assure its effectiveness as are specified hereinafter.
- B** Any Person which is or intends to be the Operator of an Offshore Facility may become a Party upon acceptance by the Association of an application from said Person in form prescribed by the Association, in which application said Person shall indicate its willingness to be bound by the terms and conditions hereof. Upon acceptance by the Association of such application and subject to the terms and

conditions of this Contract and to the Rules, this Contract shall be applicable to all Offshore Facilities of which that Party is or becomes the Operator. Notwithstanding any other provision of this Contract or any provision of the Rules, the Association may in its absolute discretion accept such an application on the basis that this Contract shall be applicable to one or more Offshore Facilities of which that Party is or becomes the Operator but shall not be applicable to all Offshore Facilities of which that Party is or becomes the Operator.

**C** Each Party shall, from and after the Effective Date hereof, or from and after such later date upon which it becomes a Party:

- 1** establish and maintain its financial responsibility to fulfil its obligations under Clause IV of this Contract with respect to Offshore Facilities of which it is the Operator and to which this Contract is applicable, in accordance with criteria prescribed by the Rules;
- 2** become a member of the Association and remain a member thereof so long as it continues to be a Party subject to the right of the Association to terminate its membership in the Association and/or to take other appropriate action in the event it fails to fulfil its obligations hereunder;
- 3** make payment to the Association of all dues, assessments and other sums properly payable to the Association to enable it to fulfil its purposes as described herein and in its Memorandum and Articles of Association;
- 4** make payment to the Association of the Party's share of any such sum as is referred to in Clause III, that share being determined in accordance with its Articles of Association;
- 5** abide by the Memorandum and Articles of Association of the Association and the Rules;
- 6** provide the Association, from time to time, with such information as it reasonably requires in the administration of this Contract; and

7 perform all other obligations of a Party.

**CLAUSE III – ADDITIONAL FUNCTIONS OF THE ASSOCIATION**

The Parties shall cause the Association in addition to performing the function specified in Clause II:

- 1 to provide the Government of any Designated State on request with confirmation, in such form as may be decided by the Association, that a Party has made the terms of this Contract applicable to all, or with the agreement of the Association one or more but not all, Offshore Facilities of which it is the Operator by complying with the Rules with respect to financial responsibility in connection therewith to the satisfaction of the Association; and
- 2 to administer, in accordance with the terms and subject to the conditions decided upon by the Association, any sums which the Association receives from the Parties hereto in the event that a Party fails to satisfy its obligations to Claimants after the exercise and exhaustion by Claimants of all rights against the said Party available to them under this Contract.

**CLAUSE IV - REMEDIAL MEASURES AND POLLUTION DAMAGE - REIMBURSEMENT AND COMPENSATION OF CLAIMS THEREFOR**

A If a Discharge of Oil occurs from one or more Offshore Facilities to which this Contract is applicable, and if, as a result, the Party who was the Operator of said Offshore Facility or Facilities at the time of the Discharge of Oil takes Remedial Measures and/or any Public Authority or Public Authorities take Remedial Measures and/or any Person sustains Pollution Damage, then the Party who was the Operator of said Offshore Facility or Facilities at the time of the Discharge of Oil shall be responsible for the cost of said Remedial Measures which it takes and shall reimburse the Public Authority or Public Authorities the cost of said Remedial Measures taken by that Public Authority or those Public Authorities and shall pay compensation for said Pollution Damage up to an overall maximum of U.S. \$250,000,000 per Incident, to the extent and subject to the provisions set forth below.

- 1** The maximum aggregate amount of said costs of Remedial Measures for which any Party shall be so responsible and for which any Public Authority or Public Authorities shall be so reimbursed shall be U.S. \$125,000,000 per Incident, plus that portion, if any, of the maximum amount referred to in sub-paragraph 2 which, under the circumstances of the Incident, is not in fact due hereunder. If the aggregate cost of any said Remedial Measures taken by that Party and of any said Remedial Measures taken by one or more Public Authorities exceeds the maximum so calculated, the maximum amount of said costs of Remedial Measures for which any Public Authority or Public authorities shall be so reimbursed shall be the maximum aggregate amount calculated in accordance with the preceding sentence, less the costs of any Remedial Measures taken by the aforesaid Party. If the aggregate cost of Remedial Measures taken by two or more Public Authorities exceeds any maximum calculated in accordance with this sub-paragraph 1 in respect of such Remedial Measures, it shall be pro-rated among them.
- 2** The maximum compensation payable hereunder for Pollution Damage shall be U.S. \$125,000,000 per Incident, plus that portion, if any, of the maximum amount referred to in sub-paragraph 1 hereof which, under the circumstances of the Incident, is not in fact due hereunder. If the aggregate of Claims for Pollution Damage exceeds the maximum so calculated, it shall be pro-rated among the Claimants

Any reference in this Clause IV to the cost of Remedial Measures taken by a Party or the cost of Remedial Measures taken by a Public Authority shall include the costs payable by that Party or Public Authority to third party contractors of such Party or Public Authority which undertake said remedial Measures at the direction, or on behalf, of such Party or Public Authority.

- B** No obligation shall arise hereunder with respect to Remedial Measures and/or Pollution Damage arising from an Incident if the Incident:

- 1 resulted from an act of war, whether there be a declaration of war or not, hostilities, civil war, insurrection, or a natural phenomenon of an exceptional, inevitable, and irresistible character;
- 2 was wholly caused by an act or omission done with intent to cause damage by a third Person;
- 3 was wholly caused by the negligence or other wrongful act of any Government or other authority or resulted from compliance with conditions imposed or instructions given by the Government of the State which issued the Licence as to the Offshore Facility involved; or
- 4 resulted wholly or partially, either from an act or omission done with intent to cause damage by a Claimant, or from the negligence of that Claimant, in which case any Party hereto which would otherwise be liable hereunder shall be exonerated wholly or partially from its obligations to said Claimant.

#### **CLAUSE V - FILING OF CLAIMS**

When filing a Claim under this Contract, a Claimant shall be required to:

- 1 furnish the Party against whom a Claim has been filed with such information, documents and testimony as are reasonably required by said Party in connection with the investigation of the Claim and permit the making of such visual or other inspections or surveys as the Party may request. In the event of arbitration under Clause IX, each Claimant will provide the arbitrator(s) with such information, documents and testimony as he (they) requests and permit the making of such visual or other inspections or surveys as he (they) requests; and
- 2 comply with the Rules concerning the filing and processing of Claims issued by the Association under Clause VIII hereof.

**CLAUSE VI - TIME FOR FILING CLAIM**

No Party shall have any obligation under this Contract with respect to any Claim filed over one year from the date of the Incident which resulted in the Pollution Damage or the taking of the Remedial Measures in question.

**CLAUSE VII - PAYMENT OF CLAIMS**

Any payment hereunder to a Claimant by or on behalf of a Party shall be in full settlement of all said Claimant's Claims against said Party and against any other Persons associated with said Party in connection with the Offshore Facility or Facilities involved with respect to Pollution Damage or the cost of Remedial Measures resulting from the Incident in question, and shall be conditional upon a Claimant's executing necessary releases and other documents and taking such other action as is reasonable under the circumstances, including but not limited to an assignment of any right of action against a third party.

**CLAUSE VIII - ADMINISTRATION OF THIS AGREEMENT AND MISCELLANEOUS**

- A** The Parties shall cause the Association from time to time to promulgate such rules as are necessary and proper for the administration and implementation of this Contract.
- B** No rights or obligations created hereunder or connected herewith may be assigned or transferred.
- C** The Association shall have no liability hereunder to any Claimant other than its obligation to administer as provided in Clause III.2.
- D** Nothing in this Contract shall oblige any Party to take any Remedial Measures, and the taking of Remedial Measures by a Party and the making of a settlement by a Party of a Claim made by a Claimant hereunder shall not be deemed an admission of, or evidence of liability on the part of said Party in any other proceeding or to any other Claimant.

- E** No arbitration award against a Party under this Contract shall be deemed an admission of, or evidence of liability on the part of said Party in any other proceedings or to any other Claimant.
- F** Nothing in this Contract shall affect the rights of any Party or the Association under any international convention, statute, law, contract or otherwise arising, to recover compensation for Pollution Damage or the cost of Remedial Measures, or any other damage whatsoever, or to receive reimbursement for all or any part of any payments made hereunder.

#### **CLAUSE IX - ARBITRATION**

All disputes arising out of or in connection with this Contract shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules. The place of the arbitration shall be London. When a number of such disputes arise out of the same Incident, they may at the request of the Party involved be consolidated into one such arbitration.

Arbitration, as above-provided, shall be the exclusive means of disposing of such disputes.

In making any award pursuant to this Contract, the arbitrator or arbitrators shall be bound by all the provisions hereof and shall not have any power or authority to vary or increase the provisions of the Contract or any rights or obligations thereunder.

#### **CLAUSE X - AMENDMENTS**

This Contract may be amended by Resolution adopted at a General Meeting of the members of the Association convened and conducted in accordance with the Articles of Association of the Association upon a vote in which at least 75% of the votes cast are in favour of said Resolution, save that an amendment with respect to the denomination of a State as a Designated State may be adopted upon a vote in which a simple majority of the votes cast are in favour of such amendment. A Party who votes against any such Resolution shall thereupon have the option, to be exercised within sixty days of the said Resolution by written notice to the Association, to withdraw from this Contract and thus

terminate its status as a Party without, however, affecting its rights and liabilities accrued at the time of its withdrawal.

#### **CLAUSE XI - WITHDRAWAL AND TERMINATION**

**A** This Contract came into effect on 1st May 1975 (the “Effective Date”) and shall continue in effect subject to the following provisions:

- 1** The Parties shall have the right to terminate this Contract by Resolution adopted at a General Meeting of the Members of the Association convened and conducted in the same manner as provided in Clause X upon a vote in which at least 75% of the votes cast are in favour of the said Resolution, which termination shall take effect on such date as is specified in the Resolution, being a date not less than three years from the passing of the Resolution.
- 2** Any Party may, on giving to the Association not less than three months previous notice in writing, withdraw from this Contract and thus terminate its status as a Party:
  - (i)** if such Party has not been an Operator of an Offshore Facility to which this Contract is applicable within the jurisdiction of a Designated State at any time since such Party became a Party to this Contract; or
  - (ii)** if such Party, having been the Operator of one or more Offshore Facilities to which this Contract is applicable within the jurisdiction of one or more Designated States whilst a Party to this Contract, shall have ceased to be the Operator of all such Offshore Facilities.
- 3** A Party shall cease to be a Party to this Contract with immediate effect if the directors of the Association resolve that the fact that such Party is a party to this Contract, and/or the fact that such Party is a member of the Association, shall in any way howsoever expose the Association or any of its other members (in their capacity as members of the Association and/or as

Parties to this Contract) to (a) being or becoming, or to the risk of being or becoming, subject to any sanction, prohibition or adverse action in any form whatsoever by any state or international organisation and/or (b) being (or at the risk of being) in breach of any applicable law or regulation.

- B** All rights and obligations of a Party under this Contract shall cease as from the date of expiration of this Contract or withdrawal of the Party herefrom, or other termination of a Person's status as a Party, or termination of its membership in the Association, provided that this shall not affect any rights or obligations accrued at the date of such event, arising out of an Incident which occurs while it was a Party.

#### **CLAUSE XII - LAW GOVERNING**

This Contract and any dispute or claim (whether contractual or otherwise) arising out of or in connection with it or its subject matter shall be governed by and construed in accordance with the Laws of England. However, anything herein to the contrary notwithstanding, a Party shall not be required:

- 1** To incur any obligation or take any action with respect to any Incident which would violate the laws or Government regulations applicable to that Party.
- 2** To incur any obligations or take any action which would, if a majority of the stock of said Party is owned directly or indirectly by another entity, violate any laws or Government regulations which may apply to said other entity.

#### **CLAUSE XIII - THIRD PARTIES**

No Person has any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Contract but this Clause shall not affect any third party rights which might exist apart from that Act.

In Witness Whereof, the Parties have caused this Contract to be executed as of the 4th day of September 1974.

C.C. Fuller	Amoco (U.K.) Exploration Company
C.H. Band	Burmah Oil (North Sea) Limited
W.J. George	BP Petroleum Development Limited
J.L. Daniaud	Total Oil Marine Limited
J.J. Reynolds	Conoco North Sea Incorporated
L.W. Welch	Esso Exploration and Production U.K. Inc.
J.P. Huie	Gulf Oil Production Company
R. Dyk	Hamilton Brothers Oil Company (G.B.) Limited
B.O. Sims	Mobil North Sea Limited
E.G. Everett	Shell U.K. Limited
P.J. Shanor	Phillips Petroleum Company
R.T. Schwab	Signal Oil and Gas Company Limited
B.H. Martin	Siebens Oil and Gas (U.K.) Limited
J.M. Williams	Texaco North Sea U.K. Company
H.M. Brantley	North Sea Sun Oil Company Limited
D.L. Lux	Cluff Oil Limited